

LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, MARCH 18, 1998
7:00 P.M.

1. ROLL CALL

Present: Council Members - Johnson, Land, Mann, Pennino and Sieglock (Mayor)

Absent: Council Members - None

Also Present: City Manager Flynn, Deputy City Manager Keeter, City Engineer Prima,
Community Development Director Bartlam, Electric Utility Director Vallow, Parks
and Recreation Director Williamson, City Attorney Hays and City Clerk Reimche

2. INVOCATION

The invocation was given by Pastor Bill Sherrill, Faith Fellowship Church.

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Boy Scout, Craig Watanabe, who was with one of two visiting Boy Scout Troops.

4. AWARDS / PROCLAMATIONS / PRESENTATIONS

- a) Bobby Whitmire with the Greater Lodi Area Youth Commission acknowledged the Teen of the Month, Marcel Terry from Bear Creek High School. The Honorary Teen of the Month is Sara Showalter from Lodi High School.
- b) Police Chief Hansen and Police Volunteer Supervisor Biskup introduced the graduates from the 9th Lodi Police Partners class. Mayor Sieglock presented each graduate with a City of Lodi pin.
- c) Dennis Lewis with Lodi Adopt-A-Child made a presentation to the Lodi City Council regarding its upcoming Celebrity Zoo Auction which will be held on Sunday, March 22, 1998.
- d) Les Dabritz, President and CEO of the Lodi District Chamber of Commerce, informed the City Council that the Chamber recently received an award from the Western Association of Chamber of Commerce Executives for its website. Mayor Sieglock recognized the Chamber and LodiBiz for its outstanding work.
- e) Layne Van Noy with the Parks and Recreation Department highlighted the 1997/98 Parks and Recreation basketball programs. Mayor Sieglock presented the 40+ participants that were present in the audience with the City of Lodi sticker.

5. CONSENT CALENDAR

In accordance with report and recommendation of the City Manager, Council, on motion of Mayor Pro Tempore Land, Mann second, unanimously approved the following items hereinafter set forth **except those otherwise noted**:

- a) Claims were approved in the amount of \$2,156,674.82 and Disbursements Through Wire Transfer in the amount of \$2,465,055.64.

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- b) The minutes of February 26, 1998 (Adjourned Special Meeting) and March 4, 1998 (Regular Meeting) were approved as written.
- c) Approved the specifications for two 90 MVA and one 12 MVA power transformers for the Electric Utility's 230/60kV Interconnection Project and authorized advertising for bids. **(Due to a conflict of interest, Council Member Pennino abstained from discussion and voting on this matter.)**
- d) Adopted Resolution No. 98-40 awarding the bid for the purchase of materials for the construction of 230/60kV line, Woodbridge Irrigation District construction project, and Cluff Avenue feeder line in the amount of \$482,691.25 to the bidders whose proposals and equipment met City of Lodi specifications. **(Due to a conflict of interest, Council Member Pennino abstained from discussion and voting on this matter.)**
- e) Adopted Resolution No. 98-41 awarding the bid for the purchase of soil spreader for the Parks Division to the low bidder, West Star Distributing of Rancho Cordova in the amount of \$7,199.86.
- f) Adopted Resolution No. 98-42 awarding the contract for Lodi Lake South Playground Improvements, 1101 West Turner Road to A. M. Stephens Construction Company, of Lodi, in the amount of \$80,628.50 and appropriated funds in accordance with staff recommendation.
- g) Adopted Resolution No. 98-43 awarding three leases (January 1, 1999 through December 31, 2003) for agricultural land at the City's White Slough Water Pollution Control Facility (WSWPCF) and directed the City Manager and the City Clerk to execute the lease agreements on behalf of the City.
- h) Agenda item #E-8 entitled, "Acceptance of improvements under contract for Central City Revitalization Improvement Project, Downtown" was pulled from the agenda pursuant to staff's request.
- i) Approved the drilling of a test well at the Maple Street Square Firehouse site, southeast corner of Lodi Avenue and Sacramento Street, to determine suitability for locating a municipal water well at the site, and appropriated the necessary funds.
- j) Adopted Resolution No. 98-44 in opposition to the Professional Engineers in California (PECG) government initiative entitled, "Government Cost Savings and Taxpayers Protection", a proposed constitutional amendment initiative, and directed copies be forwarded to the appropriate parties.
- k) Approved the appointment of Richard C. Prima, Jr., Public Works Director, as alternate delegate to the San Joaquin Advisory Water Commission and appointed him as alternate director on the East San Joaquin Parties Water Authority Board.
- l) Adopted Resolution No. 98-45 appointing Mayor Pro Tempore Keith Land as the City's representative to Northern California Power Agency (NCPA).
- m) Adopted Resolution No. 98-46 appointing Mayor Pro Tempore Keith Land and Sr. Electric Utility Rate Analyst Nancy Bougher as the City's representatives to Transmission Agency of Northern California (TANC).
- n) Set Public Hearing for April 1, 1998 to consider refuse rate adjustment application from California Waste Removal Systems.

- o) Set Public Hearing for April 1, 1998 to consider adoption of an amendment to the Lodi Zoning Ordinance regarding the sale of alcoholic beverages.
 - p) Adopted Resolution No. 98-47 approving the class specification for the position of Secretary to the City Manager.
 - q) Appropriated funds to install frontage improvements on the west side of Hutchins Street, between Walnut Street and Oak Street.
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6. PUBLIC HEARINGS

- a) Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Sieglock called for the Public Hearing to consider and approve community input and proposals for uses of the City's 1998/99 Federal allocation of Community Development Block Grant (CDBG) and HOME funds.

Community Development Director Bartlam informed the City Council that the City will receive approximately \$730,000 in CDBG funds and approximately \$201,000 in HOME funds from the Federal government for the coming fiscal year. CDBG funds can be used to address a wide range of community needs, such as park improvements, ADA retrofits, and other community-organization based projects. Federal HOME funds, on the other hand, must be used to address housing and housing-related activities such as housing rehabilitation and new construction.

Community Development staff met on March 10, 1998, with a representative of Parks and Recreation, Public Works and the City Manager's office, to discuss the requests and proposals. Staff agreed to recommend funding for each applicant in the amount requested, with the exception of the following items.

1. The Lodi Parks and Recreation Department requested \$255,000 for seven projects. Based on the limited funding available, and the priority list presented by Parks staff, it was agreed that \$200,000 would be sufficient for the coming year.
2. The Child Abuse Prevention Council's request for \$89,000 would not, in staff's opinion, provide adequate benefit to Lodi residents. The applicant has indicated that the funds would go toward the purchase and renovation of a building in Downtown Stockton, as opposed to funding the operation of their program at their current facility, on the former State Hospital grounds, in Stockton. While staff believes this to be a valuable program, we do not believe we can justify the amount based upon competing projects.
3. The East Side Improvement Committee's request for \$10,000 for an after-school program at Hale Park, in staff's opinion, was a duplication of services already provided by the Boys and Girls Club in Lodi. Furthermore, the proposed program would be for the summer months only, and would not meet the needs of the children who are enrolled on a year-round schedule. Staff's opinion was that although there was a need for an after-school program, a more comprehensive program should be proposed. For this reason, staff's recommendation was not to fund this proposal.
4. The Boys and Girls Club request for \$75,000 for the Teen Center was reviewed, and due to limited funding available, the amount of \$50,000, which equals the amount allocated during their start-up last year, was proposed by staff. Also worth noting is that when this program was initially funded in the 1997/98 fiscal year, it was agreed that funding would be restricted from use for operations expenses and that this activity be funded for no more than the two years. This second allocation request would then be considered the last for this activity. We would also suggest the same restriction on use to equipment, rent, utilities, etc.

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5. The Public Works Department requested \$75,000 for handicap ramp installation. Based on limited funding availability, it was agreed that \$50,000 would be sufficient for the coming year.

The Loel Senior Center has also requested that the funds that have been allocated to them for the past two years for improvements at their 125 South Washington Street facility, be combined and reallocated for a multi-phase renovation project of their facilities at 105 South Washington Street. The funds, which total \$105,000, would go towards Phase I of that project, which involves the redistribution of existing space to more efficiently serve the current programs of the Center. Staff agreed that this was a viable project, and agreed to recommend the request for allocation.

Hearing Opened to the Public

1. John D. Brinton, Family Law Center, 165 St. Dominic Drive, Suite 202, Manteca, addressed the City Council regarding its request. Mr. Brinton indicated that next to Stockton, Lodi is the largest user of their service and indicated that 14% of their case load is from Lodi.
2. Paul Rengh, San Joaquin County Food Bank, 704 East Industrial Park Drive, Manteca, spoke in support of its request and of the services provided by this organization.

Public Portion of Hearing Closed

ACTION:

Following discussion, with questions being directed to those who had given testimony, the City Council, on motion of Council Member Pennino, Johnson second, unanimously adopted Resolution No. 98-48 entitled, "A Resolution of the Lodi City Council Approving the Projected Use of Funds for the 1998/99 Community Development Block Grant (CDBG) and HOME Entitlement". Further Council Member Pennino asked that the Council be provided with a recap of unused funds.

7. **COMMUNICATIONS (CITY CLERK)**

- a) On recommendation of the City's Risk Manager and/or the City's contract administrator, Insurance Consulting Associates, Inc. (ICA), the City Council, on motion of Mayor Sieglock, Johnson second, unanimously rejected the following claims:
 1. Ryan Garcia (a minor child), date of loss 8/9/97
 2. Brenda MacGregor, date of loss 2/4/98
 3. Pamala English, date of loss 12/14/97
- b) The following report was presented to the City Council:
 1. Planning Commission report of February 25, 1998

8. **REGULAR CALENDAR**

- a) Agenda item #H-1 entitled, "Policy on marked pedestrian crosswalks" was pulled from the agenda pursuant to staff's request.

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- b) Agenda item #H-3 entitled, "Transfer of management of Camp Hutchins Child Care Program to Lodi Memorial Hospital" (this matter was heard out of order).

Community Center Director Lange informed the City Council that Lodi Memorial Hospital is expanding their concept of "well care". As the largest employer in the City of Lodi, the hospital has a vested interest in children and their working parents. The population base of their employees includes many people who are in need of child care services; and, because of shift work, are interested in expanding the typical day care facility into a service that would offer extended hours.

The City has partnered with the hospital for the past eight years in successfully operating the Adult Day Care Service at Hutchins Street Square. The operation of the Camp Hutchins program is a natural extension of this service and is an opportunity for the hospital to extend their management of both programs to keep their costs at a fair market value.

The hospital boasts experience on elementary school campuses, including Heritage School, dealing with health issues from kindergarten through sixth grade. The hospital will operate the program on a not-for-profit basis. Enrollment will continue to be open to the public on a first come, first served basis and will not be preferential to either the hospital or the City's employee base.

The hospital has met with all current part-time Camp Hutchins employees and will make every attempt to absorb those employees in their restructuring of the new program. A meeting of parents who have children enrolled in the program has also taken place prior to the Council meeting to answer questions and assure parents that the program will not be dissolved, will continue to operate, and will likely increase hours of operation.

The City will transfer the current mid-manager of Camp Hutchins to the Parks and Recreation Department along with the After School Playground Program with the anticipation of expanding those programs and services more uniformly across the City boundaries. The Recreation Department also sees additional duties for the mid-manager including the expansion of Title IX sports opportunities.

This is an excellent opportunity to continue and expand our partnership with Lodi Memorial Hospital. It also affords the City the opportunity to privatize programs with positive consequences for the entire community.

Addressing the City Council regarding this matter was Debbie Aspling, Vice President of Patient Care with Lodi Memorial Hospital.

A lengthy discussion followed with numerous questions regarding the matter being posed by the City Council. Council Member Pennino was assured that all citizens will be given equal opportunity as to their involvement in the program. Following questions as to who would be responsible for the maintenance of the facility, the Council was advised that the City would carry that burden.

Council Member Johnson questioned the maximum capacity for the program and was told that at any given time there could not be more than 56. Mayor Pro Tempore Land expressed his concern that rates would go up and was assured that rather than going up, they will probably decrease.

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Both Council Member Johnson and Mayor Sieglock expressed their concern that with the transition of Lisa Rudloff to the Parks and Recreation Department there would be an additional cost to the City's General Fund of approximately \$50,000.

Council expressed concern regarding Section 7 of the proposed agreement in that it reads "Should an overall profit result as shown by independent audit based on the consideration found in this paragraph, then at the end of the three (3) year term, it shall be paid and remitted to the Hutchins Street Square Foundation, for the purpose of continued maintenance and development of the facility". Council felt that such funds should be returned to the City of Lodi.

The City Council, on motion of Council Member Pennino, Land second, adopted Resolution No. 98-49 approving the agreement transferring the management and operation of the Camp Hutchins child care program to Lodi Memorial Hospital (including the amendment to Section 7 to indicate that any overall profit will be returned to the City of Lodi rather than the Hutchins Street Square Foundation) by the following vote:

Ayes: Council Members - Land, Mann and Pennino

Noes: Council Members - Johnson and Sieglock (Mayor)

Absent: Council Members - None

9. RECESS

Mayor Sieglock called for a ten-minute recess and the City Council meeting reconvened at approximately 8:55 p.m.

10. REGULAR CALENDAR (Continued)

a) Agenda item #H-2 entitled, "Lodi Indoor Sports and Activity Center Feasibility Study".

Parks and Recreation Director Williamson reminded the City Council that over the last year, the department, along with the consulting firm The Sports Management Group, held numerous public workshops, planning committee meetings, and have received numerous correspondence related to this study.

The Parks and Recreation Commission reviewed the study at their regular meeting of January 6, 1998, and recommended forwarding the study to the City Council for approval along with the statement of concerns as outlined below.

The Parks and Recreation Commission agrees in principle with the general findings outlined in the Indoor Sports and Activity Center report prepared by the Sports Management Group. However, the Commission would like to convey to the Council its comments and concerns on the following items:

1. The question of location appears to be far from settled. At the final hearing conducted by The Sports Management Group, the question of where the facility was to be located was the primary topic of conversation. Comments from the public on the location were heard at the January commission meeting. Individual commissioners have heard from citizens concerned about the sites proposed in the report.

These individuals who have spoken out are not in favor of the Eastside locations mentioned in the report. Reasons mentioned are safety and that the facility should be built in the current or future population center as the city grows south and west.

2. The question of revenue recapture as it relates to the design of the facility remains to be resolved. The report indicates that upwards of 85% of the maintenance and operations of the facility can be recaptured. This optimistically high figure can only be realized if the facility is fully equipped with revenue generating features and it is permitted to compete with private athletic clubs in the area. The Council has in the past been reluctant to let this head to head competition take place.

The commission feels that there is a direct correlation between revenue recapture and the location of the facility and the amenities offered. If the Council maintains its position on non-competition, then any reference to such a high revenue recapture rate should be deleted from the report and a more realistic figure should be targeted.

The commission feels strongly that a full service municipal facility can coexist with private clubs. Lodi has an approximate population of 55,000 with an additional 10,000 to 20,000 in adjacent service areas. Within this population are any number of people who are intimidated by the high profile atmosphere of the private clubs with ultra-sophisticated equipment and personal trainers. Many people are reluctant to commit to the entry fees and monthly charges of private clubs and prefer a drop in facility convenient to their schedule. One has only to look at the number of cities that have flourishing YMCA facilities coexisting with private clubs while both serve the recreational needs of the community.

3. Once the question of location is resolved, the Indoor Sports and Activity Center plan should be modified to allow for an outdoor pool. The Park, Recreation and Open Space Plan mentions the need for such a facility to accommodate the growing swim programs offered by the City.
4. It appears the Council is leaning toward the utilization of CDBG funding for the center. We feel that it will take much too long to accumulate sufficient CDBG funds to enable the center to be built within a realistic time frame and would encourage the Council to consider other funding alternatives including public financing, user revenue bond financing, and corporate sponsors. Two separate studies have confirmed the significant need for this facility. The longer we wait to build a center, the greater the need will be increased.

The Lodi Sports Foundation has completed a conceptual rendering of the center which was also presented for review. The Foundation, with assistance from the community, will now take on the task of fundraising to answer the financial issues of the facility.

The following persons spoke addressing the matter:

1. The Feasibility Study was reviewed by Mindy Flynn and Pam Scott with The Sports Management Group.
2. Parks and Recreation Commission Chairman Joe Handel, 1826 West Kettleman Lane, Lodi, spoke about the concerns of the Parks and Recreation Commission as it pertained to cost recovery and proposed facility site location.
3. John Johnson, current Chairman of the Lodi Sports Foundation, P.O. Box 608, Lodi, unveiled the renderings of the proposed facility indicating that he felt the most important issue is that the facility be built.

Council Member Pennino stated that he felt land should be set aside on the selected site for the future construction of a 50 meter pool.

Following discussion, the City Council, on motion of Council Member Pennino, Johnson second, unanimously accepted the Lodi Indoor Sports and Activity Center Feasibility Study. Further, Council Member Pennino requested that his comment regarding the future construction of a 50 meter pool be included in the record.

- b) Agenda item #H-4 entitled, "Consideration to purchase three parcels containing approximately 21 acres located at 1366-1460 East Lodi Avenue from the Bank of Stockton, trustee for the Revolving Loan Fund of San Joaquin County and Melva L. Darnell".

Community Development Director Bartlam reminded the City Council that staff brought forward the idea of purchasing property for future industrial development back in October 1997. At that time, staff identified five parcels totaling approximately 40 acres. The intent of the purchase was to create logical development sites that then could be marketed as part of our expanding business attraction program. The parcels indicated were felt to be excellent candidates as they have been offered for sale for a number of years, are a difficult lot configuration, and lack any road access or utility infrastructure.

Pursuant to Council direction, staff made offers on the property with appropriate contingencies related to title reports, environmental clearance and appraisals. Two of the three property owners accepted our offer and the City entered into escrow on the subject properties in December 1997. Since that time, escrow has been proceeding with all contingencies placed on our offer now being met.

Funds in the amount of \$842,000 to purchase these parcels are being held in the Electric Utility Rate Stabilization Reserve Account. The purchase price for the property is \$40,000 per acre. In addition, \$2,000 is being paid to the Bank of Stockton for the cost of the Phase 1 Environmental and the City will pay for our share of all closing costs. Repayment of these funds to the Rate Stabilization Account will occur as the property is resold for development purposes.

Addressing the City Council regarding the matter were the following persons:

1. Clay Saylor, 1034 Lake Home Drive, Lodi, asked why the City would want to get involved in purchasing private property. The question was responded to by Community Development Director Bartlam who indicated that the subject properties are a difficult size, and that the current demand for property is typically in excess of 10 acres. Mr. Bartlam also stated that the City would benefit in selling the property to a high-end purchaser of power.
2. Jim Jacobson, CB Commercial, 1776 West March Lane #170, Stockton, indicated that the parcels have been on the market for three years and that the properties are in the City of Lodi and have been properly zoned. Mr. Jacobson also indicated that buyers of industrial land are looking for developed land of an appropriate size.

Mayor Sieglock stated that he feels it is important to know that this sale to the City was voluntary and the property is being purchased, following an appraisal at market rate. Mayor Sieglock stated that there is a major benefit to the City as it relates to the electric utility and that the City's goal is to bring industry to Lodi.

Following additional discussion, the City Council, on motion of Mayor Sieglock, Mann second, unanimously adopted Resolution No. 98-50 approving the purchase of three parcels located at 1366-1460 East Lodi Avenue and authorized the City Manager and City Clerk to execute all documents in connection with this purchase.

11. RECESS

Mayor Sieglock called for another recess and the City Council meeting reconvened at approximately 10:10 p.m.

12. REGULAR CALENDAR (Continued)

- a) Agenda item #H-5 entitled, "Professional services agreement for public education, marketing and media services, Electric Utility". **(Due to a conflict of interest, Council Member Pennino abstained from discussion and voting on the following matter.)**

Electric Utility Director Vallow provided the following report to the City Council.

Although the deregulation of the electric utility industry has been in the works since the early 90s, the majority of the public is unaware of the changes that lie ahead. City of Lodi citizens are being barraged with marketing information from alternative power providers. This has been likened to the long-distance telephone war as customers will likely receive daily mailers and receive evening phone calls from competitors.

In anticipation of the competitors' media blitzes, the City of Lodi, as a customer-owned utility, must proactively educate the public about the advantages of maintaining their power with the City of Lodi. In order to educate the public, staff members contend that professional services are critical to get across the important message that the customer investment in Lodi's utilities have far reaching implication for the continued excellent quality of life in the community.

To accomplish the public education challenge, and to in effect, protect our customers and the City's electric utility assets, it is necessary to retain the professional services from an accomplished marketing company well versed in the fast-paced electric utility deregulation issues. AL&Z Advertising, Inc. is a leading marketing company with such experience in the electric utility industry. Past and present clients of AL&Z include Roseville Electric, Truckee Donner Public Utilities District, City of Alameda Bureau of Electricity, City of La Quinta, City of Palm Springs, City of Palm Desert and the Imperial Irrigation District. In addition, AL&Z was chosen by the California Municipal Utilities Association to design, develop and implement a proactive informational and educational campaign for a coalition of 21 customer-owned utilities, the California Power Network (CalPower). Lodi has had the benefit of being an active participant in the development of this program over the past nine months.

AL&Z has prepared a Marketing Plan for Lodi which details the proposed advertising and education campaign. Included in the Marketing Plan is a detailed breakdown of the proposed working budget. It should be noted that the proposed budget includes approximately \$108,000 of local media items, \$42,000 of possible local production tasks (brochure printing, direct mail printing and bill stuffer printing) and \$18,500 for local public relations and event options. The budget is extremely focused on investing the marketing dollars with local vendors, businesses and organizations. AL&Z's approximate \$60,000 professional services are incorporated within the working budget. The contract may be terminated by either party with 30 days advance notice.

A lengthy presentation was made by Jodie Beasley, Account Supervisor and Debora Godley, Media Director of AL&Z Advertising, Inc., outlining their proposed marketing plan for the City of Lodi and detailing the proposed advertising and education campaign, budget, etc.

A very lengthy discussion followed with questions being directed to Electric Utility Director Vallow and to the representatives of AL&Z Advertising, Inc.

Addressing the City Council in opposition of approving the proposed agreement were:

1. Mrs. Vi Riggle, 712 North Cross Street, Lodi.
2. Mr. Robert Riggle, 712 North Cross Street, Lodi.

Speaking in support of the proposed agreement was the following person:

1. Bill Sandeen, 410 South Mills Avenue, Lodi.

Following additional discussion, the City Council, on motion of Council Member Mann, Land second, adopted Resolution No. 98-51 authorizing the City Manager to enter into a professional services agreement with AL&Z Advertising, Inc. for public education, marketing and media services (\$60,000 estimate) and to appropriate \$137,071 for a multimedia campaign for production, media, optional events and training by the following vote:

Ayes: Council Members - Johnson, Land, Mann and Sieglock (Mayor)
Noes: Council Members - None
Absent: Council Members - None
Abstain: Council Members - Pennino

13. ORDINANCES

None.

14. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

None.

15. VOTE TO CONTINUE WITH MEETING FOLLOWING 11 P.M. HOUR

The City Council, on motion of Council Member Johnson, Sieglock second, unanimously voted to continue with the remainder of the meeting following the 11:00 p.m. hour.

16. COMMENTS BY CITY COUNCIL MEMBERS ON NON-AGENDA ITEMS

- a) Council Member Johnson stated that there are no bathroom facilities presently at Peterson Park and that he would like to suggest that the City explore the possibility of putting portable bathroom facilities at this site.
- b) Mayor Pro Tempore Land extended appreciation to Mokelumne Rural Fire District, Woodbridge Fire Protection District, and Waterloo-Morada Rural Fire Protection District for their mutual aid in recent City fires.

17. ADJOURNMENT

There being no further business to come before the City Council, Mayor Sieglock adjourned the meeting at approximately 12:10 a.m., Thursday, March 19, 1998.

ATTEST:

Alice M. Reimche
City Clerk